

MINUTES
STATE BUILDING COMMISSION MEETING
EXECUTIVE SUB-COMMITTEE

JULY 21, 2003

The State Building Commission Executive Sub-committee met this day at 10:30 a.m. in the Executive Conference Room of the State Capitol, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Dave Goetz, Commissioner, Department of Finance and Administration
Steve Adams, State Treasurer
John Morgan, Comptroller of the Treasury

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

Riley Darnell, Secretary of State

OTHERS PRESENT

Mike Fitts, State Architect
Georgia Martin, Department of Finance and Administration
Larry Kirk, Department of Finance and Administration
Charles Garrett, Department of Finance and Administration
Gloria Rittenberry, Department of Finance and Administration
Jurgen Bailey, Department of Finance and Administration
George Brummett, Department of Finance and Administration
Ken Parks, Military Department
Greg Phelps, Military Department
Janie Porter, Attorney General's Office
Dennis Raffield, THEC
Jerry Preston, Tennessee Board of Regents

John Gregory, Tennessee Wildlife Resources Agency
Alvin Payne, University of Tennessee
Jim Dixey, Department of Finance and Administration
Cliff Steger, Department of Finance and Administration
Keith Robinson, Tennessee Board of Regents
Nancy Blevins, Department of Finance and Administration
Ken Scalf, Department of Finance and Administration
Karen Hale, Comptroller's Office
Pat Haas, Bond Finance
Jerry Adams, Department of Finance and Administration
David Gregory, Tennessee Board of Regents

Commissioner Goetz called the meeting to order at 10:32 a.m. and requested action on the following matters as presented by State Architect Michael A. Fitts.

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UNIVERSITY OF TENNESSEE

LINE ITEM APPROPRIATIONS

- 1) At the University's request, the Subcommittee deferred action on a request for approval of the following projects and selection of designers as required:

- 1) **Melrose Hall Renovation**
Estimated Project Cost: \$300,000.00
Source of Funding: Operating Funds
SBC Project No. 540/009-09-03
- 2) **Dunford Hall Renovation**
Estimated Project Cost: \$400,000.00
Source of Funding: Operating Funds
SBC Project No. 540/009-10-03
- 3) **Hoskins Renovation**
Estimated Project Cost: \$350,000.00
Source of Funding: Operating Funds
SBC Project No. 540/009-11-03
- 4) **Walters Life Science Building**
Estimated Project Cost: \$230,000.00
Source of Funding: Operating Funds
SBC Project No. 540/009-13-03
- 5) **Student Services Building Renovation**
Estimated Project Cost: \$500,000.00
Source of Funding: Operating Funds
SBC Project No. 540/009-19-03
- 6) **Hill Area Site Improvements**
Estimated Project Cost: \$750,000.00
Source of Funding: Facilities Fee
SBC Project No. 540/009-20-03
- 7) **Cumberland District Office**
Estimated Project Cost: \$660,000.00
Source of Funding: Operating Funds
SBC Project No. 540/009-21-03

- 3) Deferred action on a request for approval to fully plan a project and acknowledgment of the source of funding for **Dairy Farm Relocation** at the University of Tennessee at Knoxville, and selection of a designer to plan the project.

Estimated Project Cost:	\$10,150,000.00
Estimated Planning Cost:	\$ 400,000.00
SBC Project No.	540/009-22-03

TENNESSEE BOARD OF REGENTS

TENNESSEE STATE UNIVERSITY, NASHVILLE, TENNESSEE

- 1) Approved a request for a delivery order and acknowledgment of source of funding
Performance Contracting at Tennessee State University in Nashville, Tennessee.

Estimated Project Cost:	\$ 8,000,000.00
Estimated Delivery Order Cost:	\$ 2,400,000.00
SBC Project No.	166/001-01-01

JACKSON STATE COMMUNITY COLLEGE, LYNCHBURG, TENNESSEE

- 1) Approved a request for a revision in funding and acknowledgment of the source of funding for **Re-roof and Weatherization** at Jackson State Community College in Jackson, and authorization to award a construction contract to Mid-America Roofing, of Russellville, Alabama, in the amount of \$389,500, based upon the low Base Bid plus Alternate Number One, received June 18th, 2003.

Revised Estimated Project Cost:	\$ 458,000.00
SBC Project No.	166/019-02-02

MILITARY DEPARTMENT

NATIONAL GUARD ARMORY, JACKSON, TENNESSEE

- 1) Approved a project and acknowledgment of the source of funding for **Storm Damage Repairs** at National Guard Armory in Jackson, with work to be accomplished in-house with assistance from consultants.

Estimated Project Cost: \$381,640.00
SBC Project No. 361/042-02-03

DEPARTMENT OF MILITARY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property at LESS THAN APPRAISED VALUE as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Davidson County – 18.09 +/- Acres – Pasquo, TN – Trans. No. 01-11-001 (GM)</u>
Purpose:	Disposal in Fee at Less Than Fair Market Value of the Pasquo Emergency Bomb Shelter Site which is surplus to the needs of TN Emergency Management Agency.
Original Cost to State:	\$2,700.00 - Unimproved
Date of Original Conveyance:	June 1961
Grantor Unto State:	Walter Thomas
Sale Price:	\$76,788.88 – Highest of Eight (8) Bids
Appraised Value:	\$83,000.00
Grantee:	Phillip L. Brown, III
Comment:	Property was advertised for sale in November 2002 with a minimum acceptable bid of \$83,000.00 and no bids were received. The property was advertised again without a minimum bid in July 2003.
SSC Report:	07/14/03. Jurgan Bailey summarized the transaction. Staff referred to Sub-committee with recommendation.
SC Action:	07/21/03. Charles Garrett summarized the transaction. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF SAFETY

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Sullivan County – 3769 Highway 11 West, Blountville, TN – Trans. No. 03-02-910 (JS)**

Purpose: To provide office and related space for Driver License Issuance

Term: October 1, 2003 thru September 30, 2013 (10 yrs.)

Proposed Amount: 2,972 Square Feet

Annual Contract Rent:	\$32,040.00	@\$10.78/sf
Est. Annual Utility Cost:	\$ 4,161.00	@\$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 3,269.00</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	\$39,470.00	@\$13.28/sf

Current Amount: 2,972 Square Feet

Annual Contract Rent	\$28,440.00	@\$ 9.57/sf
Est. Annual Utility Cost:	\$ 4,161.00	@\$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 3,269.00</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	\$35,870.00	@\$12.07/sf

Type: New Lease – Advertisement – Lowest of (4) Proposals from (1) Proposer

FRF Rate: \$10.25 Per Square Foot

Purchase Option: Yes

Lessor: David K. Quillen, Current Lessor

Comment: The proposed lease provides (1) the lessor will provide a minimum of 55 on-site parking space at no additional cost to the State and (2) no cancellation during the first five years of the lease term except for cause and/or lack funding and 180 days notice thereafter.

SSC Report: 07/14/03. Bob King summarized the transaction. He advised the proposed lease contains the State's Option to Purchase. Charles Garrett advised that Finance and Administration intends to recommend the item be placed in the Budget for purchase. Staff referred to Sub-committee with recommendation.

SC Action: 07/21/03. Charles Garrett summarized the transaction and advised that a request be in the Governor's budget for potential purchase. Sub-committee approved the transaction as presented with the understanding that a purchase will be at fair market value. Final action.

TENNESSEE BOARD OF REGENTS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Sullivan County – 222 West Main Street, Kingsport, TN Trans. No. 03-06-913**

Purpose: To provide educational classroom and community college services programs provided by Northeast State Technical Community College (NSTCC).

Term: July 1, 2003 thru June 30, 2008 (5 yrs)

Proposed Amount:	<u>12,000 Square Feet</u>		
	Annual Contract Rent:	\$49,000.00	@\$4.09/sf
	Est. Annual Utility Cost:	\$16,800.00	@\$1.40/sf
	Est. Annual Janitorial Cost:	<u>\$13,200.00</u>	<u>@\$1.10/sf</u>
	Total Annual Effective Cost:	\$79,000.00	@\$6.59/sf

Type: New Lease – Negotiated

Lessor: City of Kingsport

Comment: The proposed lease provides of 4 classrooms, 3 computer labs, a Learning Resource Center area, general administrative area, mechanical space, communications rooms, storage area, break room, plus restrooms and hallways. Proposed lease has a 90-day State cancellation.

SSC Report: 07/14/03. Charles Garrett summarized the transaction. Carl Manka, TBR, advised that the funding source for the Center is from grants and \$68,000.00 State funds. Dennis Raffield, THEC, advised that the request had been disclosed. Staff referred to Sub-committee with recommendation.

SC Action: 07/21/03. Charles summarized the transaction. Sub-committee approved the request as presented. Final action.

TENNESSEE BOARD OF REGENTS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: **Hamilton County – 10th & Central Street, WIA Career Center, Chattanooga, TN – Trans. No. 04-07-900**

Purpose: To provide space for the Workforce Aging Management Program (WAMP).

Term: August 1, 2003 thru July 30, 2005 (2 yrs)

Proposed Amount:	<u>10,000 Square Feet</u>		
	Annual Contract Rent		
	Incl. Utility & Janitorial Cost:	<u>\$100,000.00</u>	<u>@\$10.00/sf</u>
	Total Annual Effective Cost:	<u>\$100,000.00</u>	<u>@\$10.00/sf</u>

Type: New Lease - Negotiated

Purchase Option: No

Lessor: Southeast Development District

Comment: The proposed lease provides connection service & support to the High Speed Internet System connecting Federal Labs, all furniture needs for offices, laboratories, a conference room and resource room.

Chattanooga State Technical Community College (CSTCC) has been awarded a \$500,000 grant from the U.S. Department of Labor for the WAMP. This is the first installment that is expected to be a 3-year grant. The WAMP provides initiative is focused on ensuring that the nation maintains a readily available technical workforce.

SSC Report: 07/14/03. Charles Garrett summarized the transaction. Staff referred to Sub-committee with recommendation.

SC Action: 07/21/03. Charles Garrett summarized the transaction. Sub-committee approved the transaction as requested. Final action.

TENNESSEE BOARD OF REGENTS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location:	<u>Rutherford County – Thompson Lane, Horse Science Center, Murfreesboro, TN – Trans. No.</u>
Purpose:	To provide space for Middle Tennessee State University's Horse Science Educational Programs.
Term:	February 1, 2003 thru January 31, 2038 (35 yrs.)
Consideration:	Mutual Benefit
Type:	New Lease - Negotiated
Lessor:	Tennessee Miller Coliseum, Inc.
Comment:	The proposed lease provides that the State may terminate this lease at the end of any fiscal year (June 30) in the event sufficient operating and maintenance funds are not appropriated by the general assembly and/or budgeted for continuation of this lease.
SSC Report:	07/14/03. Charles Garrett summarized the transaction. Dennis Raffield, THEC, advised that THEC supports the request. Staff referred to Sub-committee with recommendation.
SC Action:	07/21/03. Charles Garrett summarized the transaction. After review and discussion, Sub-committee approved the transaction as requested. Final action.

TENNESSEE WILDLIFE RESOURCE AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Hamilton County – 115.61+/-acres – North Chickamauga Creek, Chattanooga, TN – Trans. No. #03-06-011 1 (CH)**

Purpose: Acquisition in Fee for the preservation of wetlands and to enhance the adjoining property presently owned by the State in the North Chickamauga Basin Area.

Source of Funding: \$560,000 NAWCA & Private Funds
\$160,000 North Chickamauga Creek Conservancy
\$128,414 Wetland Funds

Estimated Cost: \$848,414

Owner(s): Heirs of Rogers c/o Sam Ward

SSC Report: 07/14/03. Jurgen Bailey advised that the property is currently for sale with a real estate broker. The North Chickamauga Trust has an option for \$800,000 on the property. Staff referred to Sub-committee with recommendation.

SC Action: 07/21/03. Charles Garrett summarized the transaction. John Gregory, TWRA, advised last year funds will be used for this acquisition. Sub-committee approved the transaction as requested. Final action.

TENNESSEE WILDLIFE RESOURCE AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Hamilton County – 19.5+/- acres – North Chickamauga Creek, Chattanooga, TN – Trans. No. #03-06-012 (CH)**

Purpose: Provide legal access to land owned by the State.

Source of Funding: \$60,000.00 - NAWCA Grant

Estimated Cost: \$60,000.00

Owner(s): Thomas and Betty Vandergriff

SSC Report: 07/14/03. Jurgan Bailey advised the property will provide access to already owned State property. Staff referred to Sub-committee with recommendation.

SC Action: 07/21/03. Charles Garrett summarized the transaction. John Gregory, TWRA, advised last year funds will be used for this acquisition. Sub-committee approved the transaction as requested. Final action.

TENNESSEE WILDLIFE RESOURCE AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **White County – 194+/- acres – Clark Tract - Trans. No. #03-06-014 (CH)**

Purpose: Acquisition in Fee of a tract of land providing entry to the publicly owned Centennial Wilderness (Bridgestone Firestone Tract)

Source of Funding: \$104,500 – Wetland Funds
\$ 40,000 – Forest Legacy Funds

Estimated Cost: \$144,500

Owner(s): Tennessee Parks and Greenways

SSC Report: 07/14/03. Referred to Sub-committee with recommendation.

SC Action: 07/21/03. Charles Garrett summarized the transaction. John Gregory, TWRA, advised last year funds will be used for this acquisition. Sub-committee approved the transaction as requested. Final action.

TENNESSEE WILDLIFE RESOURCES AGENCY

REPORT ITEM:

- SSC Report: 07/14/03. John Gregory, TWRA representative, presented information on a future acquisition by the agency. The subject property is known as the Rasmussen Tract in Dickson County and consists of 1,400 +/- acres along the Harpeth River. He advised the property appraised for \$2,600,000.00. He stated The Conservation Fund will purchase the property from Mr. Rasmussen for \$1,600,000. Mr. Gregory stated this information is provided at Sub-committee's request prior to coming forward with the agency's request to acquire the property. Staff referred to Sub-committee for discussion.
- SC Action: 07/21/03. John Gregory, TWRA, presented an Executive Summary of a proposed future acquisition. Mr. Gregory stated that there are no state dollars in the project and that the funding will be from grants, The Wildlife Turkey Federation, fund raisers, and sale of part of the property will generate the funds necessary to remove the financial burden to The Conservation Fund. He advised that the property will be managed as a wildlife management area and provide access and bank fishing on the Harpeth River. Sub-committee acknowledged the summary as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property as required by TCA 4-15-102 and 12-2-112.

Description: **Davidson County – 97.6+/- acres with improvements 3000 Morgan Road, Joelton, TN - Trans. No. #02-09-010 (LW)**

Purpose: Disposal by Lease to Metro Nashville for use as a public park

Term: Twenty five (25) years with a twenty five (25) year option to renew

Consideration: Grant – Public Purpose

Lessee: Metro Nashville, Davidson County

Comments: Property is formerly known as the Tennessee Youth Center

SSC Report: 07/14/03. Jurgen Bailey advised that the State has owned the property since 1961 and was declared surplus in 2002. He stated the property appraised for \$362,500 and since then Metro and the local community requests the property be turned into a recreational park. Also, the State spends \$50,000 annually in overhead costs for maintenance. Staff referred to Sub-committee for discussion.

SC Action: 07/21/03. Charles Garrett summarized the transaction. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF FINANCE AND ADMINISTRATION

SPECIAL ITEM

1) **Status report on the Management Assistance contract**

Larry Kirk handed out a summary sheet for **Management Assistance** for Capital Projects Management. He said they have begun to transition some of the duties in-house and to cross train. He said they have not taken any action to add to their staff, but have been able to generate savings. He said they were down-sizing their outside contract. Mr. Fitts stated that he had notified the Board of Regents a few days ago regarding this item and that Jerry Preston was there to answer any questions, but a written summary was not immediately available. He said that he proposed that this item be presented to the full Commission at its next meeting for their information. The Subcommittee concurred in Mr. Fitts' request.

SBC Project No. 529/000-01-99
SBC Project No. 166/000-02-99

UNIVERSITY OF TENNESSEE

LAND ITEM

Request for APPROVAL for DISPOSAL at LESS THAN FAIR MARKET VALUE as required by T.C.A 4-15-102 and 12-2-112:

Description: Knox County – 6.93 +/- Acres with Improvements – 120 Taliwa Court, Knoxville, TN – Trans. No. 02-08-015 (GM)

Purpose: Disposal in Fee at Less Than Fair Market Value of off-campus family housing.

Appraised Value: \$2,250,000.00 – Appraised Value

Sale Price: \$2,051,651.00 Proposed Price

Grantee: Bob Monday

Comment: Previous Sub-committee action on September 12, 2001 gave approval to a disposal in fee at fair market value. Advertised and bid opening was July 3, 2003. Four bid were received with Mr. Monday being the highest.

SC Action: 07/21/03. Charles Garrett summarized the transaction. Alvin Payne advised that the successful bidder, Mr. Bob Monday, rescinded his bid the day after the bid opening. He stated Mr. Monday's attorney has written a letter withdrawing the bid. Janie Porter, Assistant Attorney General, stated she had not worked on the transaction but understands there are legal issues involved.

Alvin Payne stated there seems to be two options – one would be to make Mr. Monday the offer to accept his bid of \$2,051,651.00 and the second to reject the bid and keep the bid deposit.

Sub-committee approved the request to accept the bid and dispose at less than fair market value.

STATE BUILDING COMMISSION

MINUTES

- 1) Approved the Minutes of the State Building Commission Executive Subcommittee meeting held on June 23, 2003.
- 2) Approved the designer selections as referred by the State Building Commission, with authority to act. These will be listed for record on the August State Building Commission agenda.

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Following approval of the Consent Agenda, the meeting adjourned at 11:16 a.m.

CONSENT AGENDA

Approved the following real property transactions that have been reviewed and recommended for approval by Sub-committee staff:

- A. Agency: **University of Tennessee – Knox County**
Transaction: Lease Agreement
Provision: Waiver of Advertisement
- B. Agency: **University of Tennessee – Hamilton County**
Transaction: Acquisition in Fee & Disposal by Lease
Provision: Waiver of Advertisement
- C. Agency: **University of Tennessee – Hamilton County**
Transaction: Acquisition in Fee
- D. Agency: **University of Tennessee – Hamilton County**
Transaction: Acquisition in Fee
- E. Agency: **TN Board of Regents – Madison County**
Transaction: Acquisition in Fee & Demolition of Structure
- F. Agency: **TN Board of Regents – Rutherford County**
Transaction: Lease Amendment
- G. Agency: **Department of Transportation – DeKalb County**
Transaction: Disposal by Lease
Provision: Waiver of Advertisement and Appraisals
- H. Agency: **Department of Transportation – Shelby County**
Transaction: Disposal by Lease
Provision: Waiver of Advertisement
- I. Agency: **Department of Transportation – Washington County**
Transaction: Disposal by Lease
Provision: Waiver of Advertisement and Appraisals
- J. Agency: **TN Wildlife Resources Agency – Anderson County**
Transaction: Disposal by Lease
Provision: Waiver of Advertisement and appraisals

A.

UNIVERSITY OF TENNESSEE

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: **Knox County – 220 Carrick Street, Knoxville, TN – Trans No. 03-06-905**

Purpose: To provide office and related space for Law Enforcement Innovation Center (LEIC)

Term: June 1, 2003 thru May 31, 2005 (2 yrs.)

Proposed Amount: 3,096 Square Feet

Annual Contract Rent		
Incl. Utility Cost:	\$23,901.00	@ \$7.72/sf
Est. Annual Janitorial Cost:	<u>\$ 3,405.60</u>	<u>@\$1.10/sf</u>
Total Annual Effective Cost:	<u>\$27,306.60</u>	<u>@\$8.82/sf</u>

Current Amount: None

Type: New Lease – Negotiated

Lessor: Boys & Girls Club of the Tennessee Valley
John Lee, President & CEO

Comment: The LEIC is co-located with the Knoxville Police Training Academy for training of law enforcement officers.

SSC Report: 07/14/03. Charles Garrett summarized the transaction. Alvin Payne advised that the LEIC is co-located with the Knoxville Police Department's Training Academy. He stated the location provides the LEIC close proximity to supporting partners. He stated that the University is trying to create a Center and that federal grants are funding the Center. Staff referred to Sub-committee for consent agenda.

SC Action: 07/21/03. Sub-committee approved the transaction as presented. Final action.

B.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired and DISPOSAL by LEASE with WAIVER of ADVERTISEMENT as required by TCA 12-2-112:

Description: **Hamilton County – 0.16 +/- Acres with Improvement - 553 Oak Street, Chattanooga TN – Trans. 03-06-008 (GM)**

Purpose: 1. Acquisition in Fee for campus expansion and included in the Master Plan
2. Disposal by Lease of 4,500 sq.ft. improvement for use by the Psychiatric Group pending a new location for their practice.

Source of Funding: Unrestricted Gifts Funds and Lease back- Credits

Estimated Cost: Fair Market Value

Owner//Grantee: Psychiatric Group of Chattanooga (PGC)

Comment: Owner/Grantee has verbally agreed to lease the house for up to 3 years at \$40,000 to \$45,000 per year.

SSC Report: 07/14/03. Jurgen Bailey summarized the transaction. He requested that three tracts be considered at the same time. Alvin Payne advised that the three tracts consist of two with improvements and one being a vacant lot. He stated the tract at 553 Oak Street will be acquired at fair market value and leased back to the PGC at fair market value for a three year period. He stated the PCG will attempt to relocate during the lease period. He also advised that both houses are on the historical register and have had roofs replaced and renovations. Staff referred to Sub-committee for consent agenda.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Hamilton County – 0.15+/- Acres – Adjoins 553 Oak Street, Chattanooga, TN – Trans. #03-06-009 (GM)**

Purpose: Acquisition in Fee for campus expansion and included in the Master Plan

Source of Funding: Unrestricted Gift Funds and Lease-back Credits

Estimated Cost: Fair Market Value

Owner(s): Psychiatric Group of Chattanooga

SSC Report: 07/14/03. Jurgen Bailey summarized the transaction. He requested that three tracts be considered at the same time. Alvin Payne advised that the three tracts consist of two with improvements and one being a vacant lot. He stated the tract at 553 Oak Street will be acquired at fair market value and leased back to the PGC at fair market value for a three year period. He stated the PCG will attempt to relocate during the lease period. He also advised that both houses are on the historical register and have had roofs replaced and renovations. Staff referred to Sub-committee for consent agenda.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Hamilton County – 0.22 +/- Acres with Improvement - 551 Oak Street, Chattanooga, TN – Trans. #03-06-015 (GM)**

Purpose: Acquisition in Fee for campus expansion and included in the Master Plan

Source of Funding: Unrestricted Gift Funds and Lease- back Credits

Estimated Cost: Fair Market Value

Owner(s): Psychiatric Group of Chattanooga

SSC Report: 07/14/03. Jurgen Bailey summarized the transaction. He requested that three tracts be considered at the same time. Alvin Payne advised that the three tracts consist of two with improvements and one being a vacant lot. He stated the tract at 553 Oak Street will be acquired at fair market value and leased back to the PGC at fair market value for a three year period. He stated the PCG will attempt to relocate during the lease period. He also advised that both houses are on the historical register and have had roofs replaced and renovations. Staff referred to Sub-committee for consent agenda.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property and APPROVAL to DEMOLISH of the IMPROVEMENTS not to exceed the appraised value for the property being acquired:

Description: **Madison County – 1.0 +/- Acre with Improvement – Directly across from Tennessee Technology Center at Jackson – Trans. No. 03-06-010 (LW)**

Purpose: Acquisition in Fee of property to demolish house for additional parking for the school.

Source of Funding: \$10,000.00 - Tennessee Tech Center – Jackson
\$10,000.00 – TBR from Technology Center Pool Account

Estimated Cost: Fair Market Value

Estimated Value: \$20,000.00

Owner(s): Ronald R. and Martha Stoots

SSC Report: 07/14/03. Jurgen Bailey summarized the transaction. Staff referred to Subcommittee for consent agenda subject to TN Historical Commission's approval of the Request to Demolish structures on the property.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL of the following LEASE AMENDMENT by LEASE of interest in real property as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Rutherford County – Municipal Airport - Trans No. 03-07-001 (LW)</u>
Purpose:	Amend the original lease for the construction of facilities in support of the MTSU Academic Aeronautical Facility education program at Lessee's expense.
Term:	March 10, 1988 thru June 30, 2017 with a Option to Renew for an additional 30 years to 2047
Consideration:	All terms remain effective
Lessee:	State University and Community College System of Tennessee
SSC Report:	07/14/03. Staff referred to Sub-committee for consent agenda.

G.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: **DeKalb County – 5.59 +/- acre site – King Ridge Road, Smithville, TN. – Trans No. #03-06-003 (BM)**

Purpose: To provide for meeting rooms, storage for a water tanker and pump truck.

Term: Fifteen (15) Years with a 90 day State cancellation.

Consideration: Grant – Public Benefit

Lessee: DeKalb County Volunteer Fire Department

SSC Report: 07/14/03. Jurgan Bailey summarized the transaction. Carolyn Smith, agency representative, stated that the lease agreement would contain the State's standard language regarding insurance requirements, and maintenance on the building, and State's standard hold harmless language. Staff referred to Sub-committee for consent agenda.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER of ADVERTISEMENT as required by TCA 4-15-102 and 12-2-112.

Description: **Shelby County – 5.28+/- acres – Corner of Hacks Cross Road & SR 385 Ramp (Nonconnah Parkway), Memphis, TN – Trans No. #03-06-005 (BM)**

Purpose: Disposal of Lease for construction of a sub- station.

Term: Fifteen (15) years with adjustment in annual rent every five (5) years based on the cost of living index percentage rise with 90 day cancellation

Consideration: Fair Market Value
Memphis Light, Gas & Water (MLGW) to bring property above the flood stage.

Lessee: Memphis Light, Gas and Water Company

Comments: MLGW is responsible for all permits necessary for the property. Requirements related to property in flood plan and meet with all Department, Federal, State, City and Local Government requirements.

SSC Report: 07/14/03. Jurgen Bailey summarized the transaction and advised that MLGW will also construct an access road to State property as part of the consideration. Staff referred to Sub-committee for consent agenda.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: **Washington County – 0.66 +/- acre – Division Street and East Main Street and under I-181, Johnson City, TN – Trans. No. #03-06-007 (GM)**

Purpose: Free Public Parking

Term: Fifteen (15) years

Consideration: Mutual Benefits

Lessee: City of Johnson City

Comment: City and Street Construction Company to pave area at no additional cost to the State.

SSC Report: 07/14/03. Jurgen Bailey summarized the transaction. He advised the City will pave and stripe the parking area for municipal parking. Mr. Bailey also stated there will be no charge for parking stated in the agreement and the State's standard language regarding hazardous materials, liability, and hold harmless language in the lease document. Staff referred to Sub-committee for consent agenda.

TENNESSEE WILDLIFE RESOURCE AGENCY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: **Anderson County – 1.0+/-acre – Highway 116, New River, TN – Trans. No. #03-06-004 (CH)**

Purpose: Place a manned trash convenient center in the New River Area to help clean up illegal trash dumping.

Term: Ten (10) years with an option of renewal.

Consideration: Grant – Public Benefit

Lessee: Anderson County

SSC Report: 07/14/03. Referred to Sub-committee for consent agenda.

Approved by: _____
M. D. Goetz, Jr., Commissioner
Department of Finance and Administration